

Parish of Saint Andrew and Saint Mark Surbiton

Accounts for the year ended 31 December 2021

Independent Examiner's Report to the P.C.C. of St Andrew's and St Mark's, Surbiton

This report on the accounts of the P.C.C. for the year ended 31 December 2021 which are set out on the following eight pages, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ('the Regulations') and section 145 of the Charities Act 2011 ('the Act').

Respective Responsibilities of the Trustees and Independent Examiner

As the members of the P.C.C. you are responsible for the preparation of the accounts and you consider that the audit requirement of section 144 of the Act does not apply and that an independent examination is needed. I confirm that I am qualified to undertake the examination by being a qualified member of the ICAEW.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act.
- to follow the procedures laid down in the general directions given by the Charities Commission under section 145(5)b of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission and to be found in the Church Guidance, 2006 edition. That examination includes a review of the accounting records kept by the P.C.C. and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention which gives me cause to believe that, in any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached, except that I draw attention to the disclosure in note 4 to the accounts in connection with the accounting treatment of St Andrew's Parish Rooms with which I concur.

Mr. Timothy Brown, A.C.A. - Independent Examiner

50 The Ridings
Surbiton, Surrey, KT5 8HQ

Dated : 8 May 2022

ST. ANDREW'S & ST. MARK'S PCC SURBITON
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2021 £	TOTAL 2020 £	Budget 2022 £
INCOMING RESOURCES							
Voluntary income	2(a)	117,693	4,527	-	122,220	141,418	113,500
Activities for generating funds	2(b)	79,936	-	-	79,936	50,518	110,300
Income from investments	2(c)	16,203	-	-	16,203	15,748	14,700
Church activities	2(d)	3,022	-	-	3,022	1,946	4,900
Other incoming resources	2(e)	1,820	-	-	1,820	34,466	100
TOTAL INCOMING RESOURCES		218,675	4,527		223,202	244,097	243,500
RESOURCES EXPENDED							
Cost of generating voluntary income	3(a)	1,654	-	-	1,654	3,341	200
Shared utilities	3(b)	22,286	-	-	22,286	17,487	29,900
Cost of generating funds	3(c)	1,822	-	-	1,822	572	3,000
Church activities	3(d)	163,120	1,438	-	164,558	167,195	190,800
Governance costs	3(e)	375	-	-	375	465	400
Support costs	3(f)	25,536	-	-	25,536	25,391	29,000
Mission donations	3(g)	-	4,235	-	4,235	11,110	5,000
Major Works	3(h)	22,018	-	-	22,018	-	76,000
Other resources used	3(h)	-	-	-	-	-	-
TOTAL RESOURCES EXPENDED		236,810	5,673	-	242,484	225,561	334,300
Net incoming/(outgoing) resources		(18,135)	(1,147)	-	(19,282)	18,536	(90,800)
RECOGNISED GAINS AND LOSSES							
Unrealised gains on investments		84,956	-	-	84,956	55,314	-
NET MOVEMENT IN FUNDS		66,821	(1,147)	-	65,675	73,851	(90,800)
Balance brought forward		2,208,799	6,633	-	2,215,432	2,141,581	2,281,107
Balance carried forward		2,275,620	5,487	-	2,281,107	2,215,432	2,190,307

ST. ANDREW'S & ST. MARK'S PCC SURBITON
BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2021 £	TOTAL 2020 £
FIXED ASSETS						
Land & buildings	4	1,549,410	-	-	1,549,410	1,549,410
Tangible assets	5	12,682	-	-	12,682	18,722
Long term investments	6(a)	650,814	-	-	650,814	565,858
		<u>2,212,906</u>	<u>-</u>	<u>-</u>	<u>2,212,906</u>	<u>2,133,990</u>
CURRENT ASSETS						
Short term investments	6(b)	358	865	-	1,223	1,222
Debtors & prepayments	7	13,393	2,857	-	16,250	16,719
Cash at bank & in hand	6(c)	51,607	1,765	-	53,372	69,088
		<u>65,359</u>	<u>5,487</u>	<u>-</u>	<u>70,845</u>	<u>87,029</u>
LIABILITIES						
Creditors	8	<u>2,644</u>	<u>-</u>	<u>-</u>	<u>2,644</u>	<u>5,586</u>
NET CURRENT ASSETS		62,714	5,487	-	68,201	81,443
			-	-		
TOTAL ASSETS LESS LIABILITIES		<u>2,275,620</u>	<u>5,487</u>	<u>-</u>	<u>2,281,107</u>	<u>2,215,432</u>
THE FUNDS OF THE CHARITY						
Unrestricted	10	2,275,620	-	-	2,275,620	2,208,799
Restricted		-	5,487	-	5,487	6,633
Endowment		-	-	-	-	-
TOTAL		<u>2,275,620</u>	<u>5,487</u>	<u>-</u>	<u>2,281,107</u>	<u>2,215,432</u>

The notes numbered 1 - 12 form a part of these accounts

Approved by the Parochial Church Council on the 8th of May 2022 and signed on its behalf by

Revd. Robert Stanier (Chairman)

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

Basis of financial statements

The financial statements have been prepared under the Church Accounting Regulations 2006 in accordance with applicable accounting standards and the current Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005).

The financial statements have been prepared under the historical cost convention except for investment assets, which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their affiliation to another body, nor those that are informal gatherings of church members.

Fund accounting

Endowment funds were funds of which the capital had to be retained, allowing only the income to be spent. During the year the PCC took advantage of section 289 of the Charities Act 2011 to resolve that it should be free to spend the capital of its small endowment funds.

Restricted funds derive from donations or bequests for a specific purpose. They may only be expended on the purpose for which they were given.

The use of other funds is *unrestricted*, but some are designated by the PCC for particular purposes.

Incoming resources

Planned giving, collections and similar donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is entitled to the use of the resources, their ultimate receipt is considered reasonably certain, and the amounts due are reliably quantifiable. Dividends and interest are accounted for when they fall due for payment. All items are accounted for gross. Rental income from the letting of Church premises is recognised when the rental is due.

Resources expended

Donations out of restricted funds intended to benefit other charities are accounted for when sums have been allocated to the charities in question.

The diocesan parish share is accounted for when due.

All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed assets

Consecrated and benefice property is not included in the accounts in accordance with section 10(2)(a) and (c) of the Charities Act 2011 unless otherwise specified.

Other land and buildings are included in the accounts at cost and a policy of non-depreciation is currently adopted as they have a very long remaining useful life. An impairment review may be prudent, in the future.

Expenditure on tangible assets is written off as it is incurred where the cost of an asset is equal to or less than £1,000. Where the cost is greater the expenditure is capitalised and depreciated on a declining balance basis over the estimated useful life of the asset. Prior to 1 January 2013 all expenditure on movable church furnishings vested in the churchwardens was written off as it was incurred.

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. INCOMING RESOURCES

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2021	TOTAL 2020
	£	£	£	£	£
2(a) Voluntary income					
Planned giving	74,244	-	-	74,244	67,096
Tax recoverable	19,270	-	-	19,270	18,164
Open collections	2,962	-	-	2,962	3,048
Sundry donations	21,217	200	-	21,417	19,837
Legacies (note 9)	-	-	-	-	23,262
Funds raised for other charities	-	4,217	-	4,217	10,010
Special trusts	-	110	-	110	-
	<u>117,693</u>	<u>4,527</u>	<u>-</u>	<u>122,220</u>	<u>141,418</u>
2(b) Activities for generating funds					
Christmas Fair Activities	5,336	-	-	5,336	6,554
Hall lettings	53,514	-	-	53,514	38,564
Church lettings	21,086	-	-	21,086	5,401
	<u>79,936</u>	<u>-</u>	<u>-</u>	<u>79,936</u>	<u>50,518</u>
2(c) Income from investments					
Dividends and interest	16,203	-	-	16,203	15,748
2(d) Income from church activities					
Fees for weddings, funerals & banns	2,041	-	-	2,041	1,182
Bible reading fellowship notes	162	-	-	162	269
Parish magazine	406	-	-	406	176
Coffee mornings	414	-	-	414	320
	<u>3,022</u>	<u>-</u>	<u>-</u>	<u>3,022</u>	<u>1,946</u>
2(e) Other incoming resources					
Insurance payment	1,820	-	-	1,820	1,000
LPOW DCMS Grant re 2019 St Andrews Tower work	-	-	-	-	33,157
Other	-	-	-	-	309
	<u>1,820</u>	<u>-</u>	<u>-</u>	<u>1,820</u>	<u>34,466</u>
TOTAL INCOMING RESOURCES	<u>218,675</u>	<u>4,527</u>	<u>-</u>	<u>223,202</u>	<u>244,097</u>

ST. ANDREW'S & ST. MARK'S PCC SURBITON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. RESOURCES EXPENDED	Unrestricted	Restricted	Endowment	TOTAL	TOTAL
	£	£	£	2021	2020
				£	£
3(a) Cost of generating voluntary income					
Stewardship costs	-	-	-	-	-
Parish magazine costs	7	-	-	7	70
Christmas Fair costs	1,647	-	-	1,647	3,271
Fund-raising events - other charities	-	-	-	-	-
	<u>1,654</u>	<u>-</u>	<u>-</u>	<u>1,654</u>	<u>3,341</u>
3(b) Shared utilities - At both churches, utility supplies are shared between consecrated buildings and others. These costs cannot reliably be apportioned between the generation of funds and church activities.					
Gas	11,105	-	-	11,105	9,009
Electricity	9,033	-	-	9,033	7,504
Water	2,148	-	-	2,148	974
	<u>22,286</u>	<u>-</u>	<u>-</u>	<u>22,286</u>	<u>17,487</u>
3(c) Cost of generating funds					
Other hall running costs	1,822	-	-	1,822	572
3(d) Costs associated with church activities					
Diocesan quota	95,000	-	-	95,000	111,500
Clergy expenses	1,381	-	-	1,381	1,861
Clergy housing	8,764	-	-	8,764	5,284
Insurance	12,191	-	-	12,191	12,286
Church Cleaning	7,022	-	-	7,022	8,420
Church Maintenance	10,703	-	-	10,703	6,879
Other Church Running Costs	11,327	150	-	11,477	9,139
Church music	10,493	-	-	10,493	8,424
Children & Older people	6,238	1,288	-	7,526	3,400
	<u>163,120</u>	<u>1,438</u>	<u>-</u>	<u>164,558</u>	<u>167,195</u>
3(e) Governance costs					
Independent examiner's fee	375	-	-	375	465
Deanery synod	-	-	-	-	-
	<u>375</u>	<u>-</u>	<u>-</u>	<u>375</u>	<u>465</u>
3(f) Support costs					
Parish Administrator (see Note 12)	19,701	-	-	19,701	20,492
Running costs of office	5,835	-	-	5,835	4,899
	<u>25,536</u>	<u>-</u>	<u>-</u>	<u>25,536</u>	<u>25,391</u>
3(g) Mission donations					
Church Overseas	-	463	-	463	1,614
Relief & development agencies	-	2,460	-	2,460	2,758
Home missions	-	530	-	530	3,602
Secular charities	-	783	-	783	3,136
	<u>-</u>	<u>4,235</u>	<u>-</u>	<u>4,235</u>	<u>11,110</u>
3(h) Major Repair Works					
Work to St Andrew's & St Mark's	22,018	-	-	22,018	-
TOTAL RESOURCES USED	<u>236,810</u>	<u>5,673</u>	<u>-</u>	<u>242,484</u>	<u>225,561</u>

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4 Land & buildings

The PCC is the beneficial owner of interests in the following:

	<u>31.12.20</u>	<u>Expenditure</u>	<u>31.12.21</u>
	£	£	£
St. Andrew's Parish Rooms	508,406	-	508,406
St. Mark's Hall	1,037,802	-	1,037,802
Car Park Lease - St. Mark's Court	2,702	-	2,702
Land at Electric Parade	500	-	500
	<u>1,549,410</u>	<u>-</u>	<u>1,549,410</u>

St Andrew's Parish Rooms were originally constructed under diocesan ownership and have been held in the accounts since their construction. It was originally anticipated that the rooms would be transferred to the parish under a partial redundancy scheme. However, this did not happen in the event. The PCC has considered carefully whether it is correct to continue to include the rooms as an asset in the accounts, having regard to the guidance in the Church of England's PCC Accountability Guide, and has concluded after careful investigation that the arguments for writing the cost off are not adequately supported. The PCC considers that the inclusion of the cost of construction on the balance sheet is in line with Generally Accepted Accounting Principles and reflects the fact that the asset is generating income for the parish.

St. Mark's Hall is valued at the estimated final cost of its construction.

The 999 year lease of parking spaces was granted for a nominal consideration.

It is valued at a figure equal to the legal costs of its acquisition.

At Electric Parade the PCC owns the freehold interest in the land occupied by the Scouts Headquarters.

5 Tangible Assets

	<u>Brought forward</u>	<u>Cost in year</u>	<u>Depreciation</u>	<u>Value at</u> <u>31.12.21</u>
	£	£	£	£
<u>Fixtures, fittings and equipment</u>				
Parish rooms, St. Andrew's <i>(Depreciated from 1.1.2013)</i>	4,562	-	456	4,106
St. Mark's Hall	586	-	59	527
Church IT Equipment	13,574	-	5,525	8,049
	<u>18,722</u>	<u>-</u>	<u>6,039</u>	<u>12,682</u>

Computer Equipment is depreciated over 3 years. Other equipment is depreciated at 10% reducing balance

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
6 <u>Investments</u>	£	£
6(a) <u>Fixed Assets: Long term investments</u>		
Funds managed by CCLA Investment Management Ltd.		
Church of England Investment Fund	421,818	368,790
Global Equity Income Fund	228,997	197,068
	650,814	565,858
6(b) <u>Current assets: Short term investments</u>		
St. Mark's Altar Guild	415	415
St. Mark's Flower Fund	450	449
General Deposit a/c	358	358
	1,223	1,222
6(c) <u>Current assets: Cash at Bank and in hand</u>		
Natwest Bank Account	28,297	6,973
CAF Bank Account	25,071	61,855
Cash	4	260
	53,372	69,088
7 <u>Debtors & prepayments</u>		
Debtors for goods and services	100	1,194
Inland Revenue - tax recoverable	16,150	15,525
	16,250	16,719
8 <u>Creditors & accruals</u>		
Accrued Utilities	1,494	4,436
Refundable key deposits	1,150	1,150
	2,644	5,586

Creditors are payable within one year, except for deposits refundable at the end of a long-term hire.

9 2021 Legacies

There were no legacies received during 2021

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10 Fund details as at 31st December 2021

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
	£	£	£	£
General fund	2,275,620	-	-	2,275,620
Vicar's fund	-	556	-	556
Other Charities	-	-	-	-
Special trusts	-	-	-	-
Christmas Day Party	-	2,074	-	2,074
Other restricted funds	-	2,857	-	2,857
	<u>2,275,620</u>	<u>5,487</u>	<u>-</u>	<u>2,281,107</u>

Other restricted funds comprise the parish Fellowship, St. Mark's Altar Guild and Flower Funds.
The Christmas Day Party fund is used to provide lunch at Christmas for those otherwise on their own.

11 Staff Costs

The PCC had two employees during the year (the parish administrator and a cleaner); who were paid total salaries of £21,738. Pension contributions were £1,038. Employer's National Insurance cost was £3,036

No other members of the PCC received any material payment as remuneration, or expenses.

12 Notes on 2022 Budget

The 2022 budget was prepared before the effects of the coronavirus pandemic were clear for 2022

Income and expenditure in 2022 are expected to return to normal trends from 2016-19 with inflation increases from 2021 with the following specific items of note:

- Overall costs are rising in line with inflation, but with steep rises in utilities arising from market trends
- We expect to see an increase back to normal levels of general church activities with associated costs
- We have returned our parish fund contribution to the Diocese to its long term trend, up by 15% plus inflation. In 2021 we moved down from £111.5k to £95k. This will be moved back to £115k in 2022
- We have planned for rental income to increase to normal levels for the entire year
- We have included a £5k donation to charities from general funds
- We have assumed the extraordinary giving during the pandemic will return to more normal levels as rentals return to normal
- Major works in 2022 include works to the organ (£14k) and boiler (£30k) in St Andrews and the roof (£12k) and guttering (£20k) in St Marks